

## REMARKS

This is in response to the Office Action mailed July 1, 2005, in which the Examiner rejected claims 1-53. Reconsideration of the application is respectfully requested.

### Claim Amendments

With this Amendment, Applicant has amended claims 1, 4, 6, 9, 12, 14, 17, 21, 25, 28-31, 33-38, 40-43 and canceled claims 3, 7, 10, 13, 20, 32, 39, 48 and 49. The Amendments to each of the independent claims generally involve adding features that were previously presented in associated dependent claims.

Accordingly, Applicant submits that a new search is not necessitated by the claim amendments. As a result, should the Examiner reject the claims based on new grounds in a subsequent Office Action, Applicant requests that the Examiner not make the rejections final in order to offer Applicant at least one opportunity to respond to the rejections and clarify the issues for appeal.

### Claim Objections

In Section 1 of the Office Action, the Examiner objected to claims 3, 6, 12, 14, 17, 20, 28 and 39 for various informalities. Applicant has either amended or canceled the objected claims to overcome the objections.

### Claim Rejections – 35 U.S.C. §102

In Section 3 of the Office Action, the Examiner rejected claims 1, 5-10, 14-25, 28-30, 38-41, 43, 45 and 47-49 under 35 U.S.C. §102(e) as being anticipated by Provost (U.S. Patent No. 6,335,799). Applicant respectfully believes that the rejections can be withdrawn.

Although the Examiner provides several findings regarding the disclosure of Provost, none of the findings include the disclosure of “generating verification results indicating whether the card was completely or incompletely processed”, “generating verification results that

indicate that the card was completely processed when the read data substantially matches the card data, and indicate that the card was incompletely processed when the read data does not substantially match the card data”, or “a controller configured to generate verification results that are indicative of whether the card was completely or incompletely processed”, as respectively described in independent claims 1, 38 and 43.

Applicant requests that the Examiner identify where the features of the rejected claims are identically disclosed in Provost with more specificity. For example, while the Examiner found Provost to disclose a “comparing means for verifying the information printed on the card”, the Examiner failed to direct Applicant to where such a disclosure is made in the reference. Claim rejections cannot be based on such unsupported findings. Moreover, Applicant cannot provide any response to the finding when the justification for the finding is unknown. More information must be provided in order to narrow the issues of this prosecution and to provide Applicant at least one opportunity to respond to the rejection. Should the Examiner maintain any rejection on the same finding while and provide the justification for the finding in a subsequent Office Action, Applicant requests that the rejection not be made final in order to provide Applicant at least one opportunity to address the finding.

Accordingly, Applicant submits that independent claims 1, 38 and 43 are not anticipated by Provost since the reference fails to identically disclose all of the features of the claims. Additionally, Applicant submits that each of the rejected claims that depend from claims 1, 38 and 43 are allowable for at least the reasons set forth above, and requests that the rejections be withdrawn.

In Section 4 of the Office Action, the Examiner rejected claims 1-3, 5, 6, 8, 9, 14-20, 31, 32, 35-37, 43, 44 and 50-53 under 35 U.S.C. §102(e) as being anticipated by Slocum et al. (U.S. Patent No. 6,430,306). Applicant respectfully believes that the rejections can be withdrawn for the reasons set forth below.

Independent claims 1 and 31 respectively include “invalidating the card when the verification results indicate that the card was incompletely processed including modifying the

card” as generally previously provided in claim 20 (now canceled), and “invalidating the card when the verification results indicate that the card was incompletely processed including modifying the card” as previously provided in claim 32 (now canceled). Slocum et al. fail to disclose any modification to the process substrate that indicates that it was incompletely processed. Accordingly, Slocum et al. fail to anticipate independent claims 1 and 31. Therefore, Applicant requests that the rejections of independent claims 1 and 31 be withdrawn.

Additionally, Applicant requests that the rejections of all claims depending from claims 1 and 31 be withdrawn for at least the reasons set forth above.

Independent claim 43 has been amended to substantially include the features of dependent claims 48 and 49, which were not rejected based on Slocum et al. Applicant submits that claim 43 is not anticipated by Slocum et al., since the cited reference fails to identically disclose all of the claimed features including the claimed card accept output and the card reject output. Accordingly, Applicant requests that the rejection of claim 43 be withdrawn.

Additionally, Applicant submits that claim 44 is allowable as being dependent from allowable claim 43, and requests the rejection be withdrawn.

With regard to independent claim 50, Slocum et al. fail to disclose “a scanner in line with the card processing path and configured to scan the image on the surface of the card and generate scanned image data in response thereto.” Therefore, Applicant requests that the rejection be withdrawn. Additionally, Applicant submits that claims 51-53 are allowable as being dependent from allowable base claim 50, and request that the rejections be withdrawn.

#### Claim Rejections – 35 U.S.C. §103

In Section 7 of the Office Action, the Examiner rejected claims 11-13, 26, 27, 42 and 46 under 35 U.S.C. 103(a) as being unpatentable over Provost. Applicant submits that each of the rejected claims are allowable for at least the reasons set forth above regarding the allowability of independent claims 1, 38 and 43, from which they depend. Accordingly, Applicant requests that the rejections be withdrawn.

In Section 8 of the Office Action, the Examiner rejected claims 4, 33, 34, and 37 under 35 U.S.C. §103(a) as being unpatentable over Slocum et al. Applicant respectfully believes that the rejections can be withdrawn.

In the Office Action, the Examiner found Slocum et al. to disclose “voiding the card (encoding voiding information on the magnetic stripe, (sic.) but fail to disclose printing a void mark on the card (i.e. on the magnetic stripe or on the face of the card).” However, the Examiner failed to provide any support for the finding that Slocum et al. disclose “encoding voiding information on the magnetic stripe”. Applicant requests that the Examiner identify the particular sections and components of the system of Slocum et al. that disclose the encoding voiding information feature identified by the Examiner.

Applicant submits that Slocum et al. merely place the data card in a reject bin when errors are detected in the recorded magnetic stripe without making any modifications to the data card itself including the data encoded to the magnetic stripe. Instead, a field of the data file that is associated with the respective card may be modified to include a blank signal [column 19, lines 48-51]. When this field of the data file is compared to the original data recorded to the magnetic stripe of the card, there is a mismatch and the card is placed in the reject bin 76. [column 19, lines 51-58]. Thus, Slocum et al. fail to disclose making any modification to the data card in response to a finding that the card has been incompletely processed. Accordingly, Slocum et al. fail to disclose “writing a voiding code to a magnetic stripe or a memory chip of the card”, as described in claim 34.

Furthermore, even if Slocum et al. encoded voiding information on the magnetic stripe of the data card in response to a finding that the card had been incompletely processed, such finding would not render obvious the feature of “printing a voiding mark on the card over the image printed on the card” as described in claims 4 and 33. In particular, a *prima facie* case of obviousness requires that all of the features of the claims be taught by the cited reference, which it clearly fails to do. Additionally, the “functionally equivalent” argument presented by the Examiner cannot form the basis of the rejection under 35 U.S.C. §103. Even if it could, the feature of printing a voiding mark on the card and encoding voiding information to a magnetic

stripe on the card are clearly not "functionally equivalent". For instance, the printed voiding mark can be identified visually, whereas the encoded voiding information cannot.

With regard to claim 37, the Examiner has failed to identify where the cited reference discloses "wherein the validating step includes printing a validating mark on the card." Accordingly, Applicant submits that no rejection of claim 37 has been made in this Office Action, since it was not addressed by the Examiner. Should the Examiner reject claim 37 in a subsequent Office Action, Applicant requests that the rejection not be made final in order to give Applicant at least one opportunity to respond to the first grounds of rejection presented by the Examiner.

As a result, Applicant submits that claims 4, 33, 34 and 37 are non-obvious in view of the cited references. Additionally, Applicant submits that the claims are allowable as being dependent from independent claims 1 and 31, which are believed to be allowable for the reasons set forth above.

#### Conclusion

In view of the above comments and remarks, Applicant believes that the present application is in condition for allowance. Reconsideration and favorable action is respectfully requested.

The Director is authorized to charge any fee deficiency required by this paper or credit any overpayment to Deposit Account No. 23-1123.

Respectfully submitted,

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